



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2020/07/756)

**18<sup>th</sup> September, 2020**

**Notice under Section 6 (2) of the Competition Act, 2002 filed by International Flavors & Fragrances Inc.**

**CORAM:**

Mr. Ashok Kumar Gupta  
Chairperson

Ms. Sangeeta Verma  
Member

Mr. Bhagwant Singh Bishnoi  
Member

**Order under Section 31(1) of the Competition Act, 2002**

1. On 10<sup>th</sup> July, 2020, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by International Flavors & Fragrances Inc. (“**IFF/Acquirer**”). The notice was filed pursuant to the (i) Separation and Distribution Agreement dated 15<sup>th</sup> December, 2019 agreed between IFF, DuPont de Nemours (“**DuPont**”), and Nutrition & Biosciences, Inc. (“**SpinCo/Target**”) and (ii) Merger Agreement dated 15<sup>th</sup> December, 2019 executed between IFF, DuPont, SpinCo, and Neptune Merger Sub I Inc. (“**Merger Sub I**”). [Hereinafter, IFF and SpinCo are together referred as “**Parties**”]
2. The Proposed Combination pertains to acquisition of sole control by IFF over SpinCo, a recently incorporated company to which DuPont will transfer its Nutrition &



Biosciences business (“**N&B Business**”). The Proposed Combination is envisaged through the following steps:

(i) *Step 1* – DuPont will transfer the N&B Business to SpinCo and in turn SpinCo will pay a dividend of USD 7.3 billion to DuPont. DuPont will distribute the stock of SpinCo to DuPont’s public shareholders.

(ii) *Step 2* – Merger Sub I, a newly incorporated wholly-owned subsidiary of IFF, will be merged with and into SpinCo. The separate existence of Merger Sub I will cease and SpinCo shall become a direct wholly-owned subsidiary of IFF. In consideration for the acquisition of SpinCo, IFF will issue new shares of its common stock to SpinCo’s public shareholders such that, following such issuance, SpinCo’s public shareholders will own 55.4 % of IFF. Existing IFF shareholders will own 44.6% of the shares of IFF.

(iii) *Step 3* – SpinCo will be merged with and into a newly incorporated wholly-owned subsidiary of IFF, Neptune Merger Sub II LLC<sup>1</sup>, with latter continuing as the surviving entity and as a wholly-owned subsidiary of IFF. As a result of Step 3, Neptune Merger Sub II LLC will hold the N&B Business.

3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, *vide* email dated 11<sup>th</sup> August, 2020 the Parties were required to furnish certain information *inter alia* on delineation of overlapping segments. The response was submitted on 9<sup>th</sup> September, 2020 after seeking extension of time.
4. IFF is a public company, listed on the New York Stock Exchange, the Tel Aviv Stock Exchange, the Euronext Paris, and is based in New York City, United States of America (“**U.S.A.**”). IFF is active worldwide in the development, creation, and sale of flavours and fragrances that are used in consumer goods industries (such as food and

---

<sup>1</sup> Merger Sub I and Neptune Merger Sub II LLC are special purpose vehicles, and do not have any business activities, material assets or liabilities of any kind.



beverage, personal care, home care industries). IFF's main business units are 'Scent' and 'Taste'.

5. In India, IFF is engaged in the manufacture, trade and sale of fragrances, flavours and related products. It is also engaged in the manufacture and sale of certain food ingredients. IFF has seven manufacturing plants, one R&D office, three Creative & Application Centres and various sales offices and depots. It is present through the following four subsidiaries:
  - (i) International Flavors & Fragrances India Private Limited
  - (ii) Frutarom Flavors (India) Private Limited
  - (iii) BSA India Food Ingredients Private Limited
  - (iv) Sonarome Private Limited
6. SpinCo, is a recently incorporated company to which DuPont will transfer its N&B Business. The N&B Business is active worldwide in the development, production, and marketing of food science, taste, and texture applications, and biotechnology products that are used in various industries, including food and beverage, dietary supplements, home and personal care, animal nutrition and pharmaceutical excipients. The N&B Business operates through its 'Food & Beverage', 'Health & Biosciences', and 'Pharma Solutions' units.
7. The collective entities which would form SpinCo in India includes: (i) Solae Company India Private Limited; (ii) Danisco (India) Private Limited; (iii) Danisco Nutrition and Biosciences India Private Limited. At present these entities are subsidiaries of DuPont in India and post the Proposed Combination, they will become wholly owned subsidiaries of SpinCo in India. Further, only the N&B business divisions of DDP Speciality Products India Private Limited and Performance Speciality Products (India) Private Limited are proposed to be transferred to Danisco Nutrition and Biosciences India Private Limited and Danisco (India) Private Limited respectively. DDP Speciality Products India Private Limited and Performance Speciality Products (India) Private Limited are and will continue to remain subsidiaries of DuPont.



8. As submitted by the Parties, the overlaps between the products manufactured/supplied/distributed/sold by IFF and the N&B Business in India are:
- (a) Antioxidants for food applications;
  - (b) Plant-based proteins;
  - (c) Cosmetic ingredients; and
  - (d) Systems for food and beverages
9. The Commission decided to leave the delineation of the relevant market open as it was observed that the Proposed Combination is not likely to cause an appreciable adverse effect on competition in any of the possible alternative relevant markets.
10. Based on the information submitted, it appears the combined market share of the Parties in each of the segment is not such so as to cause any competition concerns. Only in the segment of sale of plant-based proteins, the combined market share of the Parties is [15-20]% in terms of value but the incremental market share is negligible.
11. The Parties have submitted that there are no existing vertical relationships or supply arrangements between the IFF and the N&B Business in India. Further, the Parties do not have any direct or indirect shareholding or control over any enterprises which are engaged in the production, distribution or trading of goods or services which constitute a vertical or complementary relationship, in India.
12. Considering the material on record including the details provided in the Notice and the assessment of the Proposed Combination based on the factors stated in Section 20(4) of the Act, the Commission is of the opinion that the Proposed Combination is not likely to have any appreciable adverse effect on competition in India. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act. Further, the Commission observed that non-compete clause is not ancillary to the combination.
13. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



Combination Registration No. C-2020/07/756



14. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
15. The Secretary is directed to communicate to the Acquirer accordingly.